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DEPARTMENT OF STATE

DPC 206

ON THE RECORD UNLESS OTHERWISE INDICATED

TRANSCRIPT OF PRESS AND RADIO NEWS BRIEFING, THURSDAY,
OCTOBER 4, 1962, 12:20 p.m.

MR. WHITE: Ladies and gentlemen, first, to call your attention to the fact that we put out the text of a--I should say a corrected text of the Final Communiqué issued at the conclusion of the Informal Meeting of Ministers of Foreign Affairs of the American Republics--you might want to have that because the copies you got last night, unhappily, had quite a few omissions in them.

Q Quite a few?

A Yes.

Q Substantive?

Q Amount to anything?

Q Were they matters of minor--or matters of wording?

A That is right. Sentences were left out, and what not. [Laughter] I'd urge you really to compare this with what you had last night. I don't want to take the time to go into those specifics.

Q What I am trying to get at is was any fact of critical importance left out, or were these sort of--

A They were--Ward, do you know?

MR. ALLEN: Yes.

A Can you point out what some of the major changes were?

MR. ALLEN: There is only one really. It was an omission simply because it was on a slip of paper; it got torn off. [Laughter] But at eleven o'clock the representatives--the Secretary had invited the representatives of all who wanted to come back to take a look at it. The representatives of Brazil, Argentina, Mexico and ourselves did. And of course in going through it, we found one important sentence left out. I want specifically to call it to your attention. It's on Page 2. Do you have the one put out? Page 2, the one, two three, fourth paragraph, the last sentence, "also called upon all other independent countries to review their policies in this regard."

That is an important statement; it's an important omission.

Q Do you mean that this omission was discovered last night and nobody thought to say anything to the world about it?

MR. ALLEN: It was discovered at about 12:30 or a quarter to one this morning.

Q Still no effort was made to call up?

A Yes--no, call up--well, we gave the text back to the people to rerun, to have for us as fast as we could get it.

Q Well, it's very late today.

Q Linc, was the Spanish text last night all right?

MR. WHITE: Can you help on that?

MR. ALLEN: We worked both with the Spanish and English, in order to polish them both.

Q Initially was the Spanish text correct is, I think, the question.

MR. ALLEN: No. The omission was in both.

MR. WHITE: Gentlemen, as I think I told you yesterday, the Secretary is leaving from Washington, MATS National Airport, at twelve-thirty, to return to New York. He will be in New York until the afternoon of the eighth, when he goes up to make this speech at Middlebury College, in Middlebury, Vermont.

We will have for you after lunch the itinerary of the visit of the Crown Prince of Libya to the United States October 15 to 24.

Now, I have had a great number of questions on press reports of what the United States is considering

doing with respect to shipping to Cuba. In order to set these reports in proper perspective, let me make these points on a strictly background basis.

First, as Mr. Ball stated on the Hill yesterday, the United States is in consultation with a number of other governments concerning measures to control shipping in the bloc-Cuban trade. As he emphasized, these are measures which can be taken--

Q Linc, did you say "measures to control shipping"?

MR. WHITE: That is right. In the bloc-Cuban trade. As Mr. Ball emphasized, these are measures which can be taken unilaterally by the United States. There are essentially four different actions which are involved:

One, close all United States ports to all ships of any country if any ship under the flag of that country hereafter carries arms to Cuba.

Two, no United States Government, including Government-financed cargo--

Q Do that again.

MR. WHITE: No United States Government--the best way to put it is parentheses, including Government-financed, parenthesis, cargo to be carried.

Q Outside?

Q I got that garbled, Linc. Would you repeat

it once more?

MR. WHITE: No United States Government (including Government-financed) cargo to be carried on a foreign flag ship, if any ship of the same owners is used hereafter in bloc-Cuba trade.

Q That would take care of, say, a situation--

MR. WHITE: Wait a minute, please. Let me go on. Then we will come back to questions.

Three, no United States flag ship and no United States owned ship to carry goods to or from Cuba.

Four, close all United States ports to any ship that on the same continuous voyage was used or is being used in bloc-Cuba trade.

Now, Mr. Abram Chayes has kindly consented to come down to help me out on any questions you may have on the legal aspects of this subject, but before we get into questions, I would like to make several other points.

Q Linc, this you are talking on background on so far, is that right?

MR. WHITE: This whole thing is background. It is not possible at this time to provide answers to particulars questions dealing with the / of the action contemplated by the United States Government with regard to the Cuban shipping problem. The main lines of policy

have been settled--

Q The main lines, Linc?

MR. WHITE: The main lines of policy have been settled and their substance has been communicated to our friends around the world. There is a great deal of work to be done, however, in moving from these policy guidelines to the specifics of regulation and administration.

Q These guidelines?

MR. WHITE: These policy guidelines to the specifics of regulation and administration. Many countries are involved, and although the action to be taken is not multilateral in the sense that they must agree, it is vital that the United States, in putting these policies into effect, do so in a way that minimizes unnecessary costs to our allies, and their private shipping lines.

Many questions will need to be worked out, for example, how would these policies apply to ships already at sea, how would they apply to different kinds of charters for different lengths of time, how can information on ships and shipping lines be most easily accumulated.

Now, many of these will call for cooperative

action. At this point, it is important to emphasize that these new policies are not the result of lack of cooperation on the part of friendly governments. This is certainly not the situation, as the Under-Secretary pointed out yesterday. Many of our allies have been extremely cooperative. Others have taken various informal actions to help persuade their private shipping companies of the desirability of staying out of the bloc trade, but there is a limit to what the governments can do, frequently for constitutional reasons, and our unilateral initiative--

Q And what? Our--?

MR. WHITE: Our, o-u-r unilateral initiative should be viewed as exempting--

Q Our unilateral initiative--?

A Initiative; yes, should be viewed as exempting these cooperative efforts of other countries of the free world.

In addition, it is not generally understood that there are many different agencies of the United States who have a direct administrative concern in shipping.

Among the agencies whose technical knowledge and skill must be brought to bear to achieve a practical

administration of these policies are: Our own Department, the Department of Agriculture, Interior, Treasury, Commerce, AID, Defense, and the Maritime Commission.

Further, there are several authorizing statutes of regulations involved. A Technical Committee, under the Chairmanship of the Legal Adviser of the Department of State, has been appointed to work out the specific manner in which the policy objectives expressed in these four points can be achieved. The details will be known in about two weeks.

Now, if you have any questions for Mr. Chayes, again I emphasize this whole exercise is on a strictly background basis.

Q Linc, on background, does this come from Secretary Ball?

MR. WHITE: Let's ask Abe. Do you want to stand up here, Abe?

MR. CHAYES: Well, as Linc pointed out, I think/the statement that he made, a lot of agencies are involved in this. It's not only a State Department show.

Q Abe, as I read these four regulations, nonmilitary and nonarms goods that do not originate in the Sino-Soviet bloc are not covered by any of these

regulations, is that right?

A Well, I think it's better to go down the four regulations, four objectives or guidelines as they have/stated.

been
As to arms, any ship of any country carrying arms--that is, if one ship of the country carries arms, all ships are barred from US ports.

Q But we have been told that no non-Communist ships are actively engaged in that.

A That is true, as far as we know--and I think our information is very good on this--the only ships carrying arms are bloc ships.

Q Any of those call at US ports?

A I don't think so. I think the answer to that is "no."

Q How many Soviet ships call at American ports during the course of a year?

A I think very few, if any, John. There is very little Soviet shipping coming into American ports.

Q A dozen? Fifty?

A I don't think--I don't know, but I don't think it's a handful, if any, John.

Q Would that also apply to bloc ships now?

A Well, it all depends on how widely you

draw the circle of the bloc. There is a certain amount of Polish shipping, Yugoslav shipping, etc. Yugoslavia is not ordinarily considered within the bloc.

Q Well, I thought our dope, Abe, is that only Soviet ships were being used for arms.

A So far as we know, only Soviet ships are being used for arms trade, but the regulation says any ship of any country whose ships have been used in the arms trade is out.

Q Ships used in the arms trade after?

A Hereafter, yes. Hereafter.

A After?

A After these regulations go into effect.

Q Under the new order--what is the qualification on that? What word did you use?

A Well, these are the kinds of details we are going to have to work out, and there may be different terms for getting out from under, let's say, under Point 1, than under Point 3. But this is part of the question that we are going to have to consider in this Technical Committee.

Q In Point 2 there, "no US Government cargo or Government-financed"--that would take care of surplus food of any kind?

A Essentially AID, Military Assistance--

Q PL-480.

A PL-480 stuff, yes, and anything that the Government ships as a shipper; that is, if you are shipping over stuff to supply NATO forces, any kind of cargo that the Government ships.

Q Whom will this affect? Is it going to affect Norwegian and Danish, Greek?

A Well, I think, basically, this says that a ship owner, ship line has to decide whether it's going to be in the bloc-Cuba trade or whether it's going to ship US Government cargoes. If it's going to be in the bloc-Cuba trade, that whole line is barred from use for US Government cargoes.

Q Abe, to get back to the first point, how do you define "military equipment," for example, end items as shoes for soldiers?

A Yes. This is one of our problems that we are going to have to take up in the Technical Committee. As you rightfully point out, there is some leeway here, and a lot of careful thought is going to have to be given to this. There are a number of lists that are now maintained, such as the Munitions' Control List, Battle Act, etc. We are going to have to achieve some coordination

between some of these various lists, just to get some administrative feasibility into this thing.

Q But, Abe, as it stands now, there would be no, in any normal definition of carrying arms--there would be no practical effect of this No. 1 point, yet there must be some reason for laying it down as a policy purpose. Can you tell us what that reason is?

A Well, nobody knows what is going to happen in the future. The point to be made by this is you carry arms to Cuba at your peril. If you do, that country's ships are excluded from any trade with the United States.

Q This then is a warning for the future?

A A clear warning for the future. Now, I want to say again, emphasizing what Linc has said before: It's not only that our information is that no arms are carried in NATO or non-bloc ships. As you know, the OAS at Punta del Este took a resolution prohibiting shipping of arms to Cuba. The NATO countries--this is one of the points on which we have had absolutely first-rate cooperation, because it is an area in which the NATO countries do have legislative authority. So we have had very good cooperation with the NATO countries on the arms question.

Q How about the effective date?

A Well, that was--the effective date depends or two matters. First of all, consultation with the--completion of consultation with the allies; secondly, how many hours sleep this special committee that I have been asked to Chair needs. And we think actually that we will be able to look for some announcement of the measures--I mean the actual measures, some promulgation--I don't mean "announcement," but promulgation of the actual measures within the next ten days, two weeks, something in that range.

Now, as a further point about retroactivity--and this is one of the very difficult problems that we are going to have to work out--as Linc said, there is a question of cargoes already at sea. There is the question of charters already concluded--the admiralty term is "fixed"--and things of that kind that we are going to have to work out.

Q Abe, on Point 4, could you translate that for us? Does that mean that any ship can't stop at an American port on the way to or from Cuba?

A Well, no. It starts out--notice, it's--

Q Continuous voyage.

A It's a continuous voyage involving the bloc-Cuba trade, so if you start from the bloc, or there--

here again is a problem of trans-shipment. Suppose you start from Amsterdam but you get a trans-shipment from the bloc. That is one of the problems we have to worry about.

Let's take a simple case. You start from a bloc port with a cargo for Cuba. You cannot then stop at a US port on your way back, in effect, or if you start at a bloc port with a cargo for the US, you cannot then call at Cuba.

Q Well, this means--

A On the way back.

Q It means to and from then, doesn't it?

A Yes, I am trying to explain--but it's limited to the bloc-Cuba trade. The whole focus of this thing is on bloc-Cuba trade.

Q Wait a minute. Say, if it's a West German ship, bringing West German stuff to Cuba, then it doesn't apply?

A Not unless it's a bloc-Cuba trade, that is right.

Q Why is that, Abe?

Q Why that exception?

A Well, we ourselves, of course, don't have

a total limitation on trade to Cuba. We still permit, as you know, foodstuffs of certain kinds, and medical goods. This is not--as I say, the focus of this effort is to hit at the particular bloc-Cuba build-up, which already, as you know, has been condemned by the OAS. That is the focus of the effort.

Q It's against bloc-originated shipments, then?

A Well, as I say, the question of what is the definition of the bloc-Cuba trade is a nice question. There may be problems of financing here, but the type of case is bloc-originated shipments going to Cuba or Cuban-originated shipments going to the bloc.

Q Can you give us a clue as to the number of vessels involved, for example, /in the charters that the Russians used, and, B., in other kinds?

A Well, I don't have--

MR. WHITE: Abe, the Maritime Commission put out quite a lengthy thing.

Q All we want is an estimate here of the number of ships that we believe the Soviets are chartering.

A Oh, I don't think--I don't have any such estimate. You have to ask the Maritime Commission for that. Of course, as you know, a lot of those charters

are not used in bloc-Cuba trade. Soviets charter a lot of ships for other trade.

The point on this--let me make clear what the point is: As these ships make--if they can pick up a US cargo after having stopped off at Cuba, they don't have to dead-head back. If they can't pick up US cargo, they are in effect dead-heading back. This in effect about doubles the cost of operation on a trans-Atlantic journey.

As I say, what we are dealing with here--and the reverse is also true, if on a US-European voyage they can then pick up a bloc--excuse me, on a Cuban-European voyage, they can then pick up a cargo to the US, they again avoid the dead-heading.

Q I have one or two points--

A Let me finish. So the effort is to impose these penalties on the bloc-Cuban trade, and it will do that because Soviet vessels or the bloc vessels can't call at our ports. They will have to dead-head back, and NATO vessels will have to dead-head back. It's the bloc-Cuba trade. This is the source of the build-up. As you know, seventy-five per cent of Cuba's trade is now with the bloc. The penalty and the move is directed at that trade.

Q Abe, one question: Of course, this is not clear to me. No. 1, we are making a distinction between, say, Chinese rice coming to Cuba on any ship, but you will allow Brazilian rice going into Cuba on another ship.

Now, we all remember the pattern of Chinese-Albanian trade, whereby the Chinese would buy, say, wheat in Australia or Canada for shipment to Albania. What do you do if the Soviet Union or the Chinese buy rice--

A Obviously, this is one of the problems we have got to worry about. That is why I said the type situation was bloc-originated goods. But if we are going to run into--we will have to consider the problem of bloc-financed shipments; that is, shipments that are in effect nothing but assistance from the bloc.

Q At the moment, isn't oil the only major nonmilitary cargo that is a big sustaining cargo of the non-Communist ships?

A I just can't answer that. I don't know.

Q The major one?

A No, there have been--

Q And Cuban sugar, the other way?

A Well, I think there is a considerable amount of foodstuffs, a certain amount of machinery, automotive equipment, things of that kind.

Q How does this compare with the China embargo? It seems more stringent. Is it?

A Well, the China embargo, of course, is in some ways more--well, this goes beyond the China embargo.

As you know, the United States has, for all practical purposes, a total embargo on trade with China, and under our transportation order T-2, all US shipping is forbidden to call at Chinese, North Korean, North Viet Nam ports.

Now, that aspect; that is, all US shipping forbidden to participate in the Cuban trade, is also covered in one of these points.

The reason I am somewhat reluctant to get into these figures is that the figures are very slippery. The best review we have of them, and the most complete review, is the Maritime Administration review. It covers the period January 1-August 31. It's entitled "Free World Shipping in the Cuban Trade," and it's dated October, 1962. And it includes not only the summaries, but evidences--but the names of the ships and their owners, and the dates of the trips, and everything else.

Q You don't have a total on that, offhand?

A Well, the total that is shown on here is--it just tells you during the period January 1 through

August 31, total 433 merchant shipping, including 43 tankers, flying the flags of 22 free-world countries, made a total of 572 trips to Cuba.

Q Could you read that again once more?

A Anybody--

Q Well, you'd be surprised how hard it's going to be for us to get a copy of that.

A During the period January 1 through August 31, 1962, a total of 433 merchant ships, including 43 tankers, flying the flags of 22 free-world countries, made a total of 572 trips to Cuba.

Now, not all of these ships or trips would be affected by Point 4 of the order which we are discussing now, I mean, Point 4 of the policy which we are discussing now, the continuous-voyage notion. Only ships in the bloc-Cuba trade, who call at Cuba would be then denied US port facilities, on the same voyage.

Q Can you give us any kind of an over-all estimate, even in a percentage figure, of how much of Cuba's trade would be hit by this whole complex of orders?

A No, it's very hard to say, and as you know, as we have already said, the bloc has its own shipping, which it can use instead of using free-world shipping. It can shift around its charters, in other words.

I think the important point here to remember

is that it's going to increase the cost of shipping in the bloc-Cuba trade by a considerable amount. And I think you are going to find that it cuts down the number of free-world ships used in the Cuba trade also, considerably. Both of those things, I think, are appropriate objects of policy.

Q Let me ask one other question--

A I think Max has been trying to get a question in here for a while.'

Q Is there a legal paradox in Point 3? You said that the United States does not ban all sales to Cuba, in other words, some things we still sell. But we are not allowed to ship them?

A Well, Max, you pick up the anomaly. There is a little anomaly there. That is, we permit trade from the US to Cuba in nonsubsidized food items and medical items, and under these orders, or at least under these policy guidelines, as presently formulated, those shipments would have to be made in foreign bottoms.

Now, actually, that doesn't amount to a lot of goods anyway. Ball had it yesterday in his statement: The first six months of this year, only \$73,000 of goods. So that it really doesn't mean very much. But there is a slight anomaly.

I think the feeling was that, just administrative convenience and that kind of thing, it's better just to make a blanket order as to US-owned and US flag shipping--

Q Could you clarify something in Point One? It refers to "arms."

A Yes, what is "arms."

Q I mean, is the point--is that word correct, or is it going to be "strategic supplies"?

A No, the word is "arms." But, as I already said to Ted's question, we are going to have to have--there are some problems of defining exactly what "arms" are.

Q Abe, why the exception on Western-originated strategic goods, which help Cuba?

A In the first place, again, let me say that strategic goods is another area in which we have had extremely good cooperation from the Western--

Q Not from the British, and the Norwegians, you haven't.

A Now, wait a minute. Our information is yes, John, that there aren't strategic goods being shipped, either originating in Western countries or using Western shipping--you know, if you talk about "strategic

goods" with any kind of narrowness.

Now, some people say--the Kitchen Committee said yesterday they thought anything going to Cuba in this sense, that it helped build them up, was in a sense strategic. But if you use any kind of precision about the definition of strategic goods, our information--and it's pretty good--is that neither Western-originated goods of that character are going to Cuba, nor Western shipping being used to transport it.

Q Abe, just a minute: How about oil? How about aviation fuel, which goes on British--

A Oil, as you know--oil is not on any of the strategic lists.

Q I know.

A That is why I say if you use any kind of precision in the term "strategic goods" now--

Q Is jet fuel in strategic goods?

A I don't think so. Kerosene--you know, you can light lamps with it.

Q Why not clamp down was the question, Abe. Why not clamp down on it?

A Well, as I suggested in the beginning, we are interested in a particular kind of trade, which has supplied the major sinews of the Cuban economy and the Cuban military build-up. That is the bloc-Cuba

trade. Seventy-five per cent of all Cuba's trade goes on to and from the bloc. If we can impose penalties upon that trade, if we can impose cost penalties upon that trade, we will have made the most effective move we can against the real danger, the real threat, without creating unnecessary irritations and problems in the rest of the world.

I mean, as Mr. Ball again said yesterday, none of these policies is an end in itself or is an absolute, and none of them can be viewed apart from the whole fabric of free-world relations, which is in the end the source of our strength.

Q Do you envisage any multilateral consultations among the allies on these guidelines?

A Well, as I think Mr. Ball said yesterday, we are consulting both in the OAS meeting here, the Informal Meeting of Foreign Ministers, and as you may have seen, there was a reference to shipping in the press communique that the Ministers released.

Secondly, we will--and I think consultations are now under way with NATO allies. On the other hand, as Linc said, these are measures which do not require agreement in the sense that measures governing our own coastal waters, our own ports, and our own shipping,

and--although they have ramifications and an effect on other people's merchant marines--that is why we feel we must consult; nonetheless, they are the measures that are within our power to take without cooperative action.

Q Abe, on the question of shipping from the free world and your statement that seventy-five per cent of Cuba's trade is with the bloc, doesn't the seventy-five per cent include Cuba's intake of arms from the bloc?

A No, I think the seventy-five per cent is just--is, you know, non-arms. We had a little worry about that yesterday up on the Hill. But I think the conclusion that we reached was that the seventy-five per cent is economic trade, not arms trade.

Q Still Cuba is getting twenty-five per cent then of this trade, which is a considerable part of its necessary intake of civilian goods, from nonbloc sources. Now, why couldn't you crack down, since you are cracking down on shipping of peaceful goods, on shipping of peaceful goods from any charter?

A Well, I think again the question is to keep your eye on the ball. The trade, the external trade which Cuba now has is trade which supports a declining economy, at a lower standard of living, with constantly more and more disruption to the extent that you can

impose greater real costs on the major source of that trade, which is the bloc. They are the ones that are really doing it.

Now, if the other twenty-five per cent--if you can impose these costs on the bloc trade, the other twenty-five per cent of it isn't really going to make that much difference. Now, it's true you could be more extreme than these measures are. I don't say these are the most extreme measures.

Q They are just going to shift trade, Abe, aren't they?

A I don't think so. They don't have the foreign exchange in the first place to shift trade. In the second place, for example, as in the case of Japan, we were successful--as again citing Mr. Ball's testimony yesterday--in inducing the Japanese to transfer sugar purchases elsewhere, so that we have had cooperation on the matter of trade itself.

As you know, Ball put out these figures yesterday, but I think it's worth looking at the cooperation that we have had on trade. In 1958, US-Cuban trade was more than a billion dollars. This year it's down to--it's running at the rate of--what, seven hundred fifty thousand dollars. Canada in 1959 had total imports

and exports amounting to twenty-seven. For the first six months of this year, they are less than seven million, so that is again less than half the rate, or about half the rate. Latin American countries did a total trade with Cuba amounting to eighty-two million in 1959. In 1961, this is down to twenty million. Nations of Western Europe have also reduced their trade from 122 million in 1959, and in 1961, this was less than half, about 54 million.

Now, this is a severe decline in trade. It's a decline from about--well, the imports have declined from about 650 million dollars to about 150 million dollars, something of that sort. So I don't think they will be able to shift back into these free-world trade patterns that they used to.

Q Can you make any kind of statement--figures or no figures--which would somehow summarize your estimate of what you hope to accomplish by these four points in the effect on trade? The one thing we have here, or the one thing we lack is any kind of a measure of result..

A Well, I would say, first of all, measure No. 4 doubles the cost, the shipping cost on every cargo in the bloc-Cuban trade, in effect. Maybe "doubles" is too strong. But it substantially increases it, because

except for perhaps a few ships that can pick up cargoes in the Caribbean or Latin America. Most of those ships are going to have to dead-head back across the Atlantic. So the major economic significance is that it substantially increases shipping costs in the bloc-Cuban trade.

Q Don't they take sugar back already?

A Well, some take sugar back, that is right. And to the extent that you could pick up a cargo in Cuba, that is right. But the Cuban trade, Cuban exports are only 600 million dollars a year, total. It's a lot of sugar, you know.

In other words, you are right to say that it's not absolute, it's not every ship. But it's a substantial number of ships. So there will be a substantial increase on the shipping costs of cargoes in the bloc-Cuban trade.

Secondly, as to the US shipping, again one might say that there is no practical effect, there is no US flag ship now plying to Cuba. There are a few, very few US-owned ships that have called at Cuba in the last year. Those would be affected. I think that is just a feeling on the part of the Administration and I think on the part of the public that it's not seemly to have

US shipping interests profiting or acting in the bloc-Cuban trade, and profiting in a situation which we all regard as of real concern to the country. I think the same thing is true of the arms matter, although there too it seems to me there might be a warning element in this against other countries, who might otherwise be tempted to get into the arms trade.

But there too I think it's just the sense that United States economic inputs simply oughtn't to go into the shipping of nations that are involved in the arms trade with Cuba. It's just that simple.

And the third point, the US cargoes--there again, there are parts of two elements here. One is that these are US cargoes, the US is the shipper in these cases, or the financer of the cargo and the notion is it ought to be able to deal with whom it pleases, and it oughtn't to deal--the United States, as shipper or payer of the freight or as the financer of the cargo oughtn't to be dealing with lines who are profiting in the bloc-Cuba trade.

On the other hand, it is also thought that this will require, or may require a considerable rearrangement of the ships, and the shipping patterns in the trade, and will impose additional costs on the bloc to maintain the Cuban economy.

You have to remember that the bloc is maintaining the Cuban economy on a precarious basis, by the expenditure of a lot of effort, and if you can increase those costs, we regard it as an advantage.

Q Abe, this does not apply in any way to air cargoes?

A No.

Q Is that contemplated?

A Not now, and there are obviously quite a few different aspects that are involved in air cargoes. In the first place, you can't support the Cuban economy with air cargoes.

Q Abe, this is a historical-type question, but have we ever barred Soviet ships from calling at American ports at any time?

A I think during the Korean war there was a restriction, again, on the ships of countries that took arms to Korea, or China. Now, I am not really quite sure about that, and I can't really give you a factual answer on this.

Q Does this mean if Nikita Khrushchev came, as he did last time, on a Soviet ship, he cannot pull into New York? [Laughter]

Q That is right.

A Let me put the question another way, Max. There are going to have to be certain exceptions, for example, if there is a devastating hurricane in Cuba, I am sure nobody would want to bar humanitarian relief to the island. So there is going to have to be--

Q This is humanitarian relief? [Laughter]

A It may be humanitarian relief to the Russians. [Laughter]

Q The second point, Abe, for the purposes of this thing, is, is Yugoslavia a member of the bloc?

A I think I'd again--there is a question, but I don't think so.

Q Abe, is there any historical precedent at all for this kind of action?

Q Have we ever barred ships from US ports in peacetime, of any nation?

A Oh, I think we have done so under the Neutrality Act, Embargo Act, things of that kind, all the way back to Jefferson times.

Q Those were all wartime?

A We were at peace.

Q You said at one point this was going beyond the embargo with China.

A Yes.

Q Did you mean only in an American sense?

A Yes; that is, we--the present embargo on China is an embargo as to trade, US trade, and it's a prohibition as to US shipping, and to the extent that this affects foreign shipping involved in the bloc-Cuba trade.

Q Well, could you estimate how far it goes relative to the Russian embargo, not on American goods, on Western European trade?

A Well, I just don't think these are qualitatively comparable. I think you have to take these four elements that Linc outlined and compare them. Of the four, only one, the US shipping one, applies now to the China trade. But it's already true that as you know we embargo all goods to Cuba, and this also applies to the China trade.

Q Would all this be in a Presidential Order, Executive Order, or what?

A Again, the exact legal instrumentation has not been worked out.

As Linc said, a number of different Departments will be involved in the administration of these orders. If you recall what happened in the embargo, the President issued a Proclamation, and then ordered the Secretary of the Treasury to take action, which the

Secretary of the Treasury did, by issuing orders under the authority delegated to him, under particular statutes, and it's likely that--I don't say it's likely, but one way of doing this is to have the President issue an Executive Order directing the heads of the appropriate Departments to take steps under authorities that are vested in them, and then a series of Departmental regulations or orders having the force of law under those statutes carrying out the--

Q What are these statutes?

Q In your estimation, is the economic impact of this measure stronger than the political, psychological impact?

A It's hard for me--I am not an economist. I am not even a politician; I am a lawyer. But it seems to me that measures taken all together have important impacts, economically, politically and psychologically, yes.

Q One question: You refer to approximately a ten-day or two-week period during which you and your committee will work this out. Is there an expectation that during this period and as a result of the story break, as it were, that the situation may develop where--

A Everybody runs to get into the boats? I

think we can take care of that in our Committee.

Q No, I mean the opposite, that people barring Cuban trade will get away from it.

A Well, that--let me say that there are problems of retroactivity here. We do not want unnecessarily to penalize people who have engaged in this trade before--at least before it became a matter of concern to us, and so we are going to try not to be unfair and penalize people now for acts they took when maybe they should have known better, but we weren't on record with any legal authority.

But as far as people trying to get in under the wire, by coming in these last couple of weeks, I think we can handle that.

Q Can you identify in a phrase what the statute authority is on this?

A There are a number. There is the Trading-With-The-Enemy Act, which gives very broad power to deal with all kinds of transactions by US citizens, and affecting US commerce. There is, secondly, the Neutrality Act of 1917, which gives the President very broad authority over ports and territorial waters. And, thirdly, there is the Defense Production Act of 1950, which gives the President authority to allocate facilities,

etc.

Q What was that last one?

A The Defense Production Act of 1950. So there are a variety of statutory authorities that can be used in these circumstances.

Q Abe, could you assign some legal expert in the corner of your office somewhere to look up the historical precedent as to whether--

A We will try.

Q --Russian ships were ever barred, under what condition?

A Linc, if you will remind me, I will try to produce the historical information.

Q Good.

Q Thank you, sir.

Q Thank you very much; quite an operation.

[Whereupon, at 1:14 p.m.,
the meeting was concluded.]